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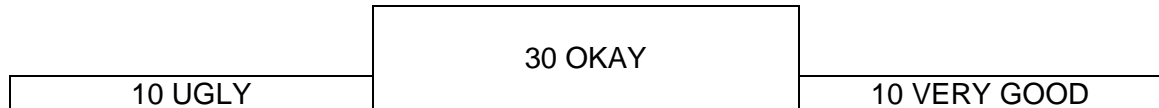
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## Universal Laws of Real Estate

Here are some “Laws” of Real Estate If you have been looking for property for any length of time, we think your own experience will confirm them:

1. **The FIRST law in real estate: Big and cheap NEVER equals wonderful.** Many people, when they first start picking property to see, focus on properties that are big and cheap... They are hoping, of course, for big, cheap AND wonderful, but that is like winning the lottery—and never applies to properties that have been on the market for any length of time.
  - BIG, wonderful, and very expensive can be found quite easily.
  - SMALL, cheap and wonderful is another option to consider...
2. **The Barrel Rule: Rarely, if ever, does it make sense to scrape the bottom of the barrel in a neighborhood.** Most people have a choice in neighborhoods—we always recommend staying away from neighborhoods where all you can do is scrape the bottom of the barrel:
  - The bottom 10% or so of the listings will probably all be bad (very small, a bad property, a bad location, or with some other problem). For instance, if there are 240 2 bdrm/2bath condos on the market today in a given area, the ‘barrel rule’ says the bottom 24 were probably all priced the way they were for a reason.
  - If possible, we recommend focusing on neighborhoods where your price and that neighborhood’s price better fit...
3. **The Rule Of 2 Goods And A Great: Property, price, and location—TWO of the three must be good and ONE must be great for a property to be a winner.**
  - Don't ever buy if one of the factors is bad or all are just okay.
  - On the other hand, you can't expect ALL to be great...
4. **The Law of the Good, The Bad, And The Ugly:** Expect 20% of the listings to be good, 60% bad or okay, and 20% outright ugly. With those proportions in mind, 50 becomes a magic number: If 50 possible listings fit your criteria, you should expect to find ten good properties worth seeing, probably two of which are great and worthy of a bid.



*(If 50 properties fit your budget and basic criteria, we would expect this distribution).*